

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3881-01  
Bill No.: HB 1444  
Subject: Children and Minors: Child Care Licensing  
Type: Original  
Date: February 11, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$110,291)	(\$110,943)	(\$113,856)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$110,291)</b>	<b>(\$110,943)</b>	<b>(\$113,856)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal	(\$53,597)	(\$57,756)	(\$59,220)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(\$53,597)</b>	<b>(\$57,756)</b>	<b>(\$59,220)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Mental Health** and the **Department of Health and Senior Services** stated that the proposal would not have significant fiscal impact on their agencies.

Officials of **Department of Social Services - Division of Family Services** (DOS - DFS) stated that they have no reliable statistics on the number of boarding schools in the state. The **Department of Elementary and Secondary Education (DES)** has over 400 schools registered as nonpublic schools and twenty-three (23) registered boarding schools, which registration allows the schools to receive funds through their school district. These schools are not accredited through either DES or school boards. The North Central Association for Accreditation currently accredits twelve (12) residential schools registered as “special purpose” or college preparatory schools. DFS officials estimate there may be as many as 50 of these types of schools operating in Missouri.

DFS officials also note that they do not know the number of foster homes, residential care facilities or child placement homes operated by well-known religious orders or churches. They believe most of the operators of these facilities have chosen to have them licensed or approved by DFS as child placement. They estimate that, conservatively, ten (10) non-licensed or non-accredited facilities are in operation in Missouri.

If the abovementioned exemptions were eliminated Department of Social Services would request two (2) Licensing Consultants and one (1) clerical staff.

The Division of Family Services also does not know how many camps, hospitals, sanitariums or homes provide recreation, medical treatment, nursing, or convalescent care for children. They estimate that there are perhaps 200 of these facilities in this state. (All YMCA, 4-H, Girl Scout, Boy Scout, etc. camps providing recreation for children, as well as any camps providing medical or convalescent care for children would be included in this category.) If Division of Family Services were required to license these entities (and the proposal does not require that) then the Department of Social Services would request four (4) more Licensing Consultants.

**Oversight** assumes the new personnel would be located in existing facilities.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Cost - Department of Social Services</u>			
Personal Service (2 FTE)	(\$61,697)	(\$75,918)	(\$77,815)
Fringe Benefits	(\$22,217)	(\$27,338)	(\$28,021)
Expense and Equipment	<u>(\$26,377)</u>	<u>(\$7,687)</u>	<u>(\$8,020)</u>
Administrative Cost to DOS	(\$110,291)	(\$110,943)	(\$113,856)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$110,291)</u></b>	<b><u>(\$110,943)</u></b>	<b><u>(\$113,856)</u></b>
<b>FEDERAL FUNDS</b>			
<u>Cost - Department of Social Services</u>			
Personal Service (1 FTE)	(\$32,053)	(\$39,441)	(\$40,427)
Fringe Benefits	(\$11,542)	(\$14,203)	(\$14,558)
Expense and Equipment	<u>(\$10,002)</u>	<u>(\$4,112)</u>	<u>(\$4,235)</u>
Administrative Cost to DOS	(\$53,597)	(\$57,756)	(\$59,220)
<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>(\$53,597)</u></b>	<b><u>(\$57,756)</u></b>	<b><u>(\$59,220)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would change some provisions pertaining to licensure exemption of certain facilities for children by the Division of Family Services.

Residential care facilities providing tuition-based educational programs which meet criteria recognized by the Department of Elementary and Secondary Education and camps, sanitariums or homes providing recreational, medical treatment, or nursing care would no longer be exempt. Foster home arrangements, residential care facilities, or child placing agencies established and

operated by well-known religious orders would also be removed from the exemption.

DESCRIPTION (continued)

Current law prohibits the Division from requiring operators of facilities which believe they are exempt to submit documentation in support the claim. The proposal would repeal that prohibition.

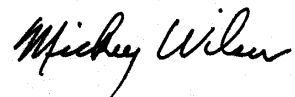
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This legislation would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Health and Senior Services

Department of Mental Health

Department of Social Services - Division of Family Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Acting Director  
February 11, 2002